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December 3, 2012

City of Santa Barbara
Planning Commission
735 Anacapa Street
Santa Barbara, CA 93101

Re: 350 Hitchcock Way, Santa Barbara, California

Dear Honorable Planning Commissioners:

My name is Ralph Horowitz. My partners and I have owned the property at 350 Hitchcock Way in Santa Barbara since 2007.

By way of background, I am also one of the owners of the downtown "Ralphs Fresh Fare" market at Carrillo and Chapala (where I successfully brought the first full service grocery store to the downtown area in many decades and did so in lieu of a very large office building that was previously entitled) and an owner of the property located at 220 North Milpas Street (which was previously occupied by Scolari's market and which I am right now redeveloping with another first-in-class grocer called "The Fresh Market").

My property at 350 Hitchcock Way is approximately 5.8 acres and is zoned E3-PD-SD3. It is part of an area created as an "auto dealer zone", and other uses within that zone are very limited.

This property was formerly occupied by a Ford dealership that downsized and relocated elsewhere on Hitchcock Way. I successfully leased the southern half of the property to DCH Lexus, which recently opened for business and is now operating a brand new Lexus dealership in a newly remodeled building on the south half of my property.

The north half of the property is currently vacant. My intention for the full utilization and development of 350 Hitchcock has always been to locate another automobile dealer, and build another first-class dealership showroom on the now-vacant northern half.

The north half of my property is currently developed with approximately fourteen thousand (14,000) square feet of building improvements. Unfortunately, these existing improvements are primarily service bays. Because they lack a permanent wall on a fourth side, from a technical development standpoint, they are essentially deemed not to exist as they do not constitute existing square footage that can be allocated to a new development. In fact, I have only approximately 1,600 square feet on the north half of the property that would qualify for a new dealership showroom or anything else.

Under the new policies that you are reviewing and potentially endorsing on Thursday, subject to finding and transferring existing square footage as discussed below, you are allowing only a 1,000 square foot additional allocation. Obviously, a 2,600 square foot building is grossly inadequate for any automobile dealer's showroom and a property of approximately 2.9 acres (or 126,000 square feet) that is limited to only a 2,600 square foot development is not only grossly underutilized but is rendered of little or no practical or economic value.

Under your proposed ordinance as now drafted, in order to develop any building larger than 2,600 square feet on my property, I would need to identify building square footage that now exists solely within the upper State Street zone and transfer that square footage to my Hitchcock property. The reality is that very little of that square footage is available now or in the foreseeable future. Moreover, even if some as yet unknown and unidentified square footage did become available in the future, there is no assurance that it becomes available (i) coincident with my development that is then planned (thereby allowing me to determine how many existing square feet I might need to acquire and transfer) or (ii) at a price that makes my then-planned development economically feasible). As a result, under your proposed ordinance as now drafted, there exists the very real likelihood that the north half of my property would be forever forced to remain effectively fallow and in its current undesirable condition. Finally, the new policies that you are considering also now, for the first time, prohibit Economic Development square footage from being allocated in this upper State Street zone.

I believe that the dilemma I suffer with respect to my property in this very specific P-D zone is, for the reasons explained above, unique. I therefore respectfully request that you direct staff to create special provisions in this ordinance that will allow the City to implement the following two critical steps:

- First, include a provision in the ordinance that will allow the City to allocate Economic Development square footage to this P-D zone to enable the development of an automobile dealership on this parcel and thereby accomplish the City's goal of fostering a more vibrant automobile dealership zone. This will also allow the City to benefit from the enhanced City tax revenues that will flow from allowing such an allocation. Furthermore, if despite my ongoing best efforts, I am ultimately unsuccessful in locating an automobile dealership, and instead find an alternative use that the City Council finds desirable from an economic development standpoint, allocating Economic Development square footage to this P-D zoned parcel will allow the City to advance its economic development goals by allowing such a development on this P-D zoned property. Absent such a provision, such goals would be thwarted and the City would lack a mechanism to accomplish its development objectives for this property.
- Second, include a provision in the ordinance that will allow the City to make a finding of "overriding consideration" to ensure that ultimately, even if the economic development project results in a traffic impact, the City's desired development goals for this P-D zoned property can be met and the revenue generating potential created as a result of that development is realized.

If the above changes are fully implemented, I would be in support of your proposed ordinance.

Thank you for your consideration.

Respectfully,


Ralph Horowitz